					DEPARTMENT	OF NA	OF UTAH TURAL RESC GAS AND MII		S		AMEN	FO DED REPOR	RM 3	
		AP	PLICATION F	OR P	ERMIT TO DRILL					1. WELL NAME and N)23-16B4B		
2. TYPE O	F WORK	DRILL NEW WELL	REENTE	R P&A	WELL DEEPEN	WELL [)			3. FIELD OR WILDCA	T NATURAL	BUTTES		
4. TYPE O	F WELL			Coalbed	d Methane Well: NO					5. UNIT or COMMUNI			ENT NAM	1E
6. NAME O	F OPERATOR				AS ONSHORE, L.P.					PONDEROSA 7. OPERATOR PHONE 720 929-6515				
8. ADDRE	SS OF OPERATO	OR								9. OPERATOR E-MAII	L			
	AL LEASE NUM	BER	P.O. BOX 1737		nver, CO, 80217 11. MINERAL_OWNERS	SHIP				12. SURFACE OWNER		anadarko		
(FEDERAL	., INDIAN, OR S	TATE) ML 22186 A			FEDERAL IND	DIAN 🛑) STATE 値) FE	EQ.	FEDERAL N	DIAN 🛑	STATE	F	EE 💮
13. NAME	OF SURFACE	OWNER (if box 12 :	= 'fee')							14. SURFACE OWNER	R PHONE	(if box 12	= 'fee')	
15. ADDR	ESS OF SURFA	CE OWNER (if box	12 = 'fee')							16. SURFACE OWNE	R E-MAIL	. (if box 12	= 'fee')	
	N ALLOTTEE OF	R TRIBE NAME			18. INTEND TO COMM		PRODUCTION	FROM		19. SLANT				
(If box 12	= 'INDIAN')				(E)		ling Applicatio	n) No	0 🔘	VERTICAL DII	RECTION	AL 📵 H	IORIZONT	AL 🔵
20. LOC	TION OF WELL			FOO	DTAGES	QT	rr-qtr	SE	ECTION	TOWNSHIP	R	ANGE	МЕ	RIDIAN
LOCATIO	N AT SURFACE		21	37 FNI	L 643 FEL	5	SENE		16	10.0 S	2:	3.0 E		S
Top of U	ppermost Prod	ucing Zone	82	6 FNL	1818 FEL	N	NWNE		16	10.0 S	2	3.0 E		S
At Total	Depth		82	6 FNL	1818 FEL	N	NWNE		16	10.0 S	2	23.0 E		S
21. COUN	TY	UINTAH		2	22. DISTANCE TO NEA		EASE LINE (Fe 26	et)		23. NUMBER OF ACR		ILLING UN 20	IT	
					25. DISTANCE TO NEA (Applied For Drilling o	or Comp		POOL		26. PROPOSED DEPT	H D: 8497	TVD: 808	3	
27. ELEV	TION - GROUN	D LEVEL		2	28. BOND NUMBER					29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE				LE
		5473					3542			43-8496				
String	Hole Size	Casing Size	Length	Weig	Hole, Casing		Max Mud		on	Cement		Sacks	Yield	Weight
Surf	11	8.625	0 - 2280	28			0.2			Type V		180	1.15	15.8
										Class G		270	1.15	15.8
Prod	7.875	4.5	0 - 8497	11.	.6 I-80 LT8	&C	12.5	5	Pren	nium Lite High Strei	ngth	270	3.38	12.0
							<u> </u>			50/50 Poz		1180	1.31	14.3
					Α	TTACH	IMENTS							
	VER	IFY THE FOLLO	WING ARE AT	TACH	HED IN ACCORDAN	ICE WIT	TH THE UTA	H OIL	AND GAS	CONSERVATION G	SENERA	L RULES		
w w	ELL PLAT OR M	AP PREPARED BY I	LICENSED SUR	/EYOR	OR ENGINEER		✓ COMF	LETE [DRILLING PI	_AN				
AF	FIDAVIT OF STA	TUS OF SURFACE	OWNER AGREE	MENT	(IF FEE SURFACE)		FORM	5. IF O	PERATOR IS	OTHER THAN THE L	EASE OW	NER		
☑ DIF	RECTIONAL SUI	RVEY PLAN (IF DIR	ECTIONALLY O	R HOR	RIZONTALLY DRILLED)	№ торос	GRAPH	IICAL MAP					
NAME Danielle Piernot TITLE Regulatory Analyst PHONE 720 929-6156														
SIGNATURE DATE 06/01/2012								E	EMAIL danie	lle.piernot@anadarko.	com			
	API NUMBER ASSIGNED APPROVAL APPROVAL													
							Permit Manager							

Kerr-McGee Oil & Gas Onshore. L.P.

BONANZA 1023-16B4BS

Surface: 2137 FNL / 643 FEL SENE BHL: 826 FNL / 1818 FEL NWNE

Section 16 T10S R23E

Uintah County, Utah Mineral Lease: ML-22186 A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. & 2. <u>Estimated Tops of Important Geologic Markers</u>: <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations</u>:

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	1097'	
Birds Nest	1,325'	Water
Mahogany	1,826'	Water
Wasatch	4,024'	Gas
Mesaverde	5,958'	Gas
Sego	8,083'	Gas
TVD	8,083'	
TD	8,497'	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program

5. <u>Drilling Fluids Program:</u>

Please refer to the attached Drilling Program

6. Evaluation Program:

Please refer to the attached Drilling Program

7. **Abnormal Conditions:**

Maximum anticipated bottom hole pressure calculated at 8083' TVD, approximately equals 5,173 psi 0.64 psi/ft = actual bottomhole gradient

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 3,384 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

Please refer to the attached Drilling Program. Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- · Blowout Prevention Equipment (BOPE) requirements;
- Mud program requirements; and
- Special drilling operation (surface equipment placement) requirements associated with air drilling.

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12 1/4 inch hole for the first 200 feet, then will drill a 11inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and

on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

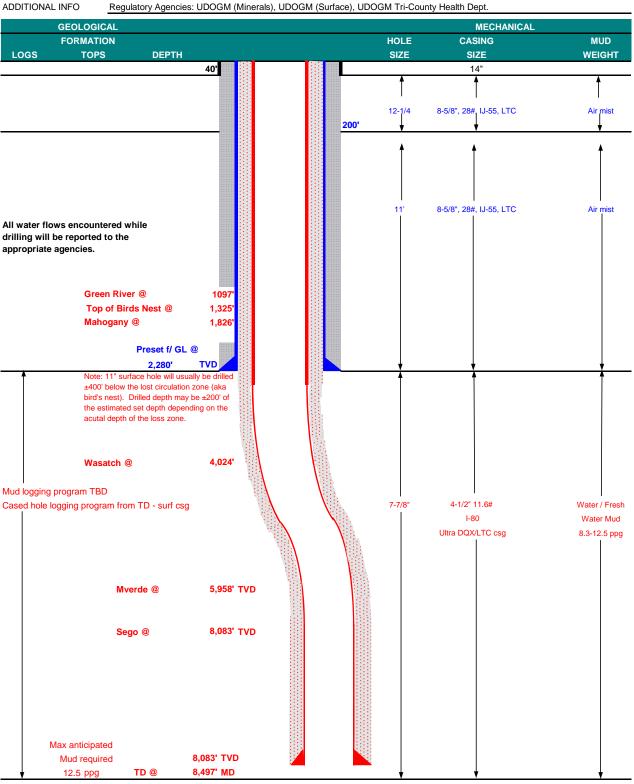
10. <u>Other Information:</u>

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE May 30, 2012 WELL NAME **BONANZA 1023-16B4BS** 8,083' 8,497' MD TD TVD FIELD Natural Buttes COUNTY Uintah Utah FINISHED ELEVATION 5473 STATE SURFACE LOCATION SENE 2137 FNL Sec 16 T 10S R 23E Latitude: 39.95046 -109.324097 NAD 27 Longitude: BTM HOLE LOCATION NWNE 826 FNL 1818 FEL Sec 16 T 10S R 23E Latitude: 39.954059 -109.328307 Longitude: NAD 27 OBJECTIVE ZONE(S) Wasatch/Mesaverde ADDITIONAL INFO





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM	<u> </u>								DESIGN	FACTORS	
				LTC	DQX						
	SIZE	INTE	ERVAL		WT.	GR.	CPLG.	BURST	COLL	TENSION	
CONDUCTOR	14"	0	-40'								
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,280	28.00	IJ-55	LTC	2.37	1.76	6.22	N/A
								7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.21		3.35
	4-1/2"	5,000	to	8,497'	11.60	I-80	LTC	1.11	1.21	6.80	

Surface Casing:

12.5 0.73 psi/ft = frac gradient @ surface shoe (Burst Assumptions: TD = ppg)

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

7000 psi) (Burst Assumptions: Pressure test with 8.4ppg @ 0.64 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGH	łT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80		1.15
Option 1		+ 0.25 pps flocele					
TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80		1.15
		+ 2% CaCl + 0.25 pps flocele					
SURFACE		NOTE: If well will circulate water t	o surface,	option 2 wil	ll be utilized		
Option 2 LEAD	1,780'	65/35 Poz + 6% Gel + 10 pps gilsonite	160	35%	11.00		3.82
		+ 0.25 pps Flocele + 3% salt BWOW					
TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80		1.15
		+ 0.25 pps flocele					
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80		1.15
PRODUCTION LEAD	3,517'	Premium Lite II +0.25 pps	270	35%	12.00		3.38
		celloflake + 5 pps gilsonite + 10% gel					
		+ 0.5% extender					
TAIL	4,980'	50/50 Poz/G + 10% salt + 2% gel	1,180	35%	14.30		1.31
		+ 0.1% R-3					

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE

Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe

PRODUCTION

Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. centralizer on the first 3 joints and one every third joint thereafter.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

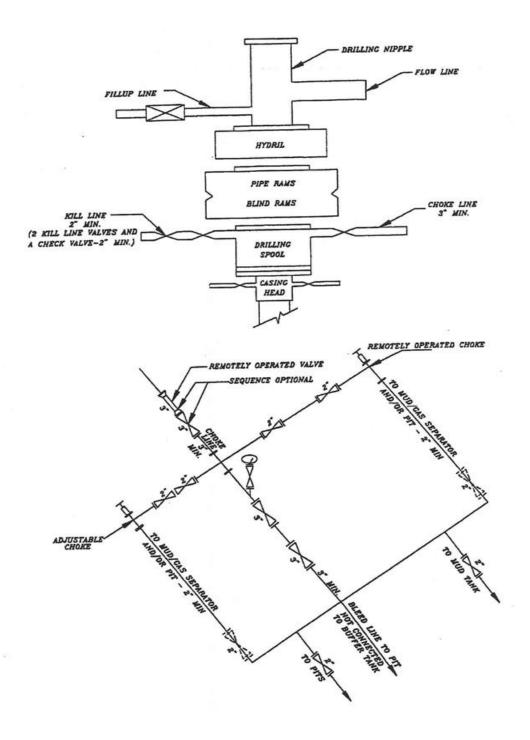
BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at 1,000' minimum intervals.

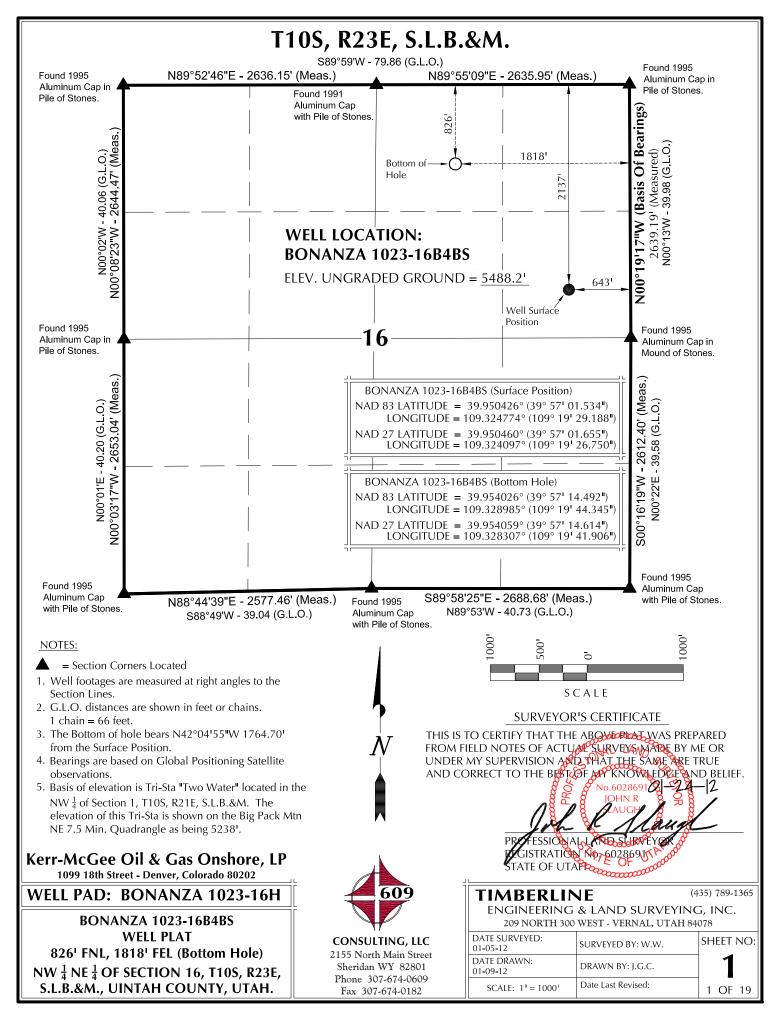
Most rigs have PVT System f	or mud monitoring. If no PVT is available, visual monitoring will be	utilized.	
DRILLING ENGINEER:		DATE:	
	Nick Spence / Danny Showers / Chad Loesel	<u> </u>	
DRILLING SUPERINTENDENT:		DATE:	
	Kenny Gathings / Lovel Young		

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

EXHIBIT A BONANZA 1023-16B4BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



			SURFACE P	OSITION						OTTOM HOLE		
WELL NAME	NAI			NAD2				NAC		NAE		
BONANZA	LATITUDE 39°57'01.534"	109°19'29.			LONGITUDE 09°19'26.750"		LATITU 39°57'14		LONGITUDE 109°19'44.345"	LATITUDE 39°57'14.614"	109°19'41.906"	826' FNL
1023-16B4BS	39.950426°	109-19-29.			09.324097°	643' FEL	39.9540		109-19 44.345 109.328985°	39.954059°	109-19-41.906 109.328307°	1818 ¹ FEL
BONANZA	39°57'01.633"	109°19'29.	I	I	09°19'26.740"	1	39°57'17		109°19'44.362"			495' FNL
1023-16B1CS BONANZA	39.950453° 39°57'01.731"	109.32477 109°19'29.			09.324094° 09°19'26.729"	642' FEL 2117' FNL	39.95493 39°57'04		109.328989° 109°19'27.321"	39.954968° 39°57'04.821"	109.328312° 109°19'24.884"	1818' FEL 1817' FNL
1023-16H1CS	39.950481°	109.324769	9° 39.950	515° 10	09.324091°	641' FEL	39.9513		109.324256°	39.951339°	109.323579°	496' FEL
BONANZA	39°57'01.830"				09°19'26.719"		39°57'07		109°19'27.339"		109°19'24.901"	1486' FNL
1023-16H1BS BONANZA	39.950508° 39°57'01.928"	109.324766 109°19'29.			09.324089° 09°19'26.708"	640' FEL 2098' FNL	39.9522 39°57'11		109.324261° 109°19'27.356"	39.952248° 39°57'11.352"	109.323584° 109°19'24.918"	496' FEL 1156' FNL
1023-16A4CS	39.950536°	109.324763			09.324086°	639' FEL	39.9531		109.324265°	39.953153°	109.323588°	496' FEL
BONANZA	39°57'02.027" 39.950563°	109°19'29.		1 .	09°19'26.699"	2088' FNL	39°57'14 39.9540;		109°19'27.373"	39°57'14.612" 39.954059°		826' FNL
1023-16A4BS BONANZA	39°57'02.125"	109.324760 109°19'29.			09.324083° 09°19'26.688"	638' FEL 2078' FNL	39°57'17		109.324270° 109°19'27.390"		109.323593° 109°19'24.952"	496' FEL 495' FNL
1023-16A1CS	39.950590°	109.32475		I	09.324080°	638' FEL	39.9549		109.324275°	39.954967°	109.323598°	496' FEL
				_	ORDINATES -							
WELL NAME	NORTH	EAST	WELL NAM	NOR	RTH EAS		NAME	NOR	TH EAST	WELL NAM	IE NORTH	EAST
BONANZA 1023-16B4BS	1309.7'	-1182.7'	BONANZA 1023-16B1C	1630	0.8' -1185	5.3 BONA 1023-1	6H1CS	300.	.7' 143.3'	BONANZA 1023-16H1	BS 621.7'	140.71
WELL NAME	NORTH	EAST	WELL NAM		RTH EAS		NAME	NOR	TH EAST			
BONANZA	941.7'	138.0'	BONANZA	126	1.8' 135.	41 BONA	I	1582	1.8' 132.7'			
1023-16A4CS			1023-16A4B	7		1023-	6A1CS					
	\		1,500	·11/2	11/04°4	47'35"E -	1300.3	U		7.42	7	
	N S C A L E	E	10 80 HOW 100 8 109	Solve	ONANZA ONANZA ONANZA	1023-16 <i>A</i> 1023-16A	4BS = 4CS = 1	AZ = 4.52222° N04°31'20"E		7<25.480 Hole) AZ=12.74750 AZ=12.74750		
BASIS OF THE NE S.L.B.&M GLOBAL OBSERV	SCALE	S THE EAST I 16, T10S, AKEN FRC G SATELLI EAR N00°1	I LINE OF R23E, DM TE 19'17"W.	B BC	ONANZA ONANZA	1023-16A 1023-16A 1023-16H 023-16H 023-16B	4BS 01 01 1BS 01 01 01 01 01 01 01 01 01 01 01 01 01	1 2 7 -		/ /90:		
BASIS OI THE NE; S.L.B.&M GLOBAL OBSERV.	S C A L E F BEARINGS IS 4 OF SECTION 1. WHICH IS T 1. POSITIONIN ATIONS TO B Gee Oil & 8th Street - De	S THE EAST 116, T10S, AKEN FRC G SATELLI EAR N00°1 EAR N00°1	T LINE OF R23E, DM TE 19'17"W.	BB BC B	ONANZA ONANZA ONANZA ONANZA 1 ONANZA 1	1023-16A 1023-16A 1023-16H 023-16H 023-16B	4BS 01 01 1BS 01 01 01 01 01 01 01 01 01 01 01 01 01	AZ = 4.1 N04°31	MBERL MBERL MBERL MBERL	NE IN & LAND	SURVEYING	*
BASIS OF THE NE S.L.B.&M GLOBAL OBSERV. Kerr-Mc(1099 1) WELL PA	F BEARINGS IS 4 OF SECTION 4. WHICH IS T POSITIONIN ATIONS TO B Gee Oil & 8th Street - De AD - BON LL PAD INTE ELLS - BONAN	S THE EAST I 16, T10S, AKEN FRC G SATELLI EAR N00°1 EAR N00°1 IANZA ERFERENC IZA 1023-1	T LINE OF R23E, DM TE 19'17"W. Onshore, ado 80202 1023-10 CE PLAT 684BS,	B BC	ONANZA ONANZA ONANZA 1 ONANZA 1 ONANZA 1	1023-16A 1023-16A 1023-16H 023-16H 1023-16B 023-16B	4CS of the state o	AZ = 4.1 N04°31	MBERL NGINEERIN 209 NORTH	NE IN & LAND	SURVEYINC RNAL, UTAH 840	i, INC. 078
BASIS OF THE NE S.L.B.&M GLOBAL OBSERV. Kerr-Mc(1099 1: WELL PA	S C A L E F BEARINGS IS 4 OF SECTION A. WHICH IS T POSITIONIN ATIONS TO B Gee Oil & 8th Street - De AD - BON L PAD INTE ELLS - BONAN 1023-16B1CS,	S THE EAST I 16, T10S, TAKEN FRC G SATELLI EAR N00°1 IANZA ERFERENC IZA 1023-1 BONANZA	T LINE OF R23E, DM TE 19'17"W. Dnshore, ado 80202 1023-16 CE PLAT 684BS, A 1023-16H	B BC	ONANZA ONANZA ONANZA 1 ONANZA 1 ONANZA 1 ONANZA 1	1023-16A 1023-16A 1023-16H 023-16H 1023-16B 023-16B	A4BS of the A4CS o	AZ = 4.1 N04°31	MBERL NGINEERIN 209 NORTH E SURVEYED:	NE IN & LAND	SURVEYINC RNAL, UTAH 840	i, INC.
BASIS OF THE NE SILL BLANK GLOBAL OBSERV. Kerr-McC 1099 1 WELL PA WELL WELL WELL WELL WELL BONANZA BONANZA	S C A L E F BEARINGS IS 4 OF SECTION A. WHICH IS T POSITIONIN ATIONS TO B Gee Oil & 8th Street - De AD - BON L PAD INTE ELLS - BONAN 1023-16B1CS, 1023-16H1BS,	S THE EAST I 16, T10S, AKEN FRC G SATELLI EAR N00°1 I ANZA ERFERENC IZA 1023-1 BONANZ, BONANZ,	I LINE OF R23E, DM TE 19'17"W. Dnshore, ado 80202 1023-16 CE PLAT 684BS, A 1023-16AA	B BC BC BC BC CS, CS, CS,	ONANZA ONANZA 1 ONANZA 1 ONANZA 1 ONANZA 1 ONANZA 1	1023-16A 1023-16H 1023-16H 1023-16B 1023-16B 023-16B ULTING, LL orth Main Stre	A4BS of the A4CS o	AZ = 4 F	MBERL NGINEERIN 209 NORTH E SURVEYED: 3-12 E DRAWN:	INE IG & LAND 300 WEST - VER SURVEYED B	SURVEYINC RNAL, UTAH 840 BY: W.W.	i, INC. 178
BASIS OF THE NE SILB. AN GLOBAL OBSERVE MELL PA WELL PA WELL PA WELL PA BONANZA BONANZA BONANZA LOCA	S C A L E F BEARINGS IS 4 OF SECTION A. WHICH IS T POSITIONIN ATIONS TO B Gee Oil & 8th Street - De AD - BON L PAD INTE ELLS - BONAN 1023-16B1CS,	S THE EAST 16, T10S, AKEN FRC G SATELLI EAR N00°1 EAR N00°1 EX GAS C IVERNOR I	I LINE OF R23E, DM TE 19'17"W. CE PLAT 684BS, A 1023-16A A 1023-16A ZA 1023-16A OS, R23E,	B BC BC BC BC CS, CS, CS,	ONANZA ONANZA ONANZA ONANZA 1 ONANZA 1 ONANZA 1 ONANZA 1	1023-16A 1023-16A 1023-16H 023-16H 1023-16B 023-16B	A4BS of the A4CS o	DATE 01-09	MBERL NGINEERIN 209 NORTH E SURVEYED: 3-12 E DRAWN:	INE IG & LAND 300 WEST - VER	SURVEYINC RNAL, UTAH 840 BY: W.W. J.G.C.	i, INC. 178

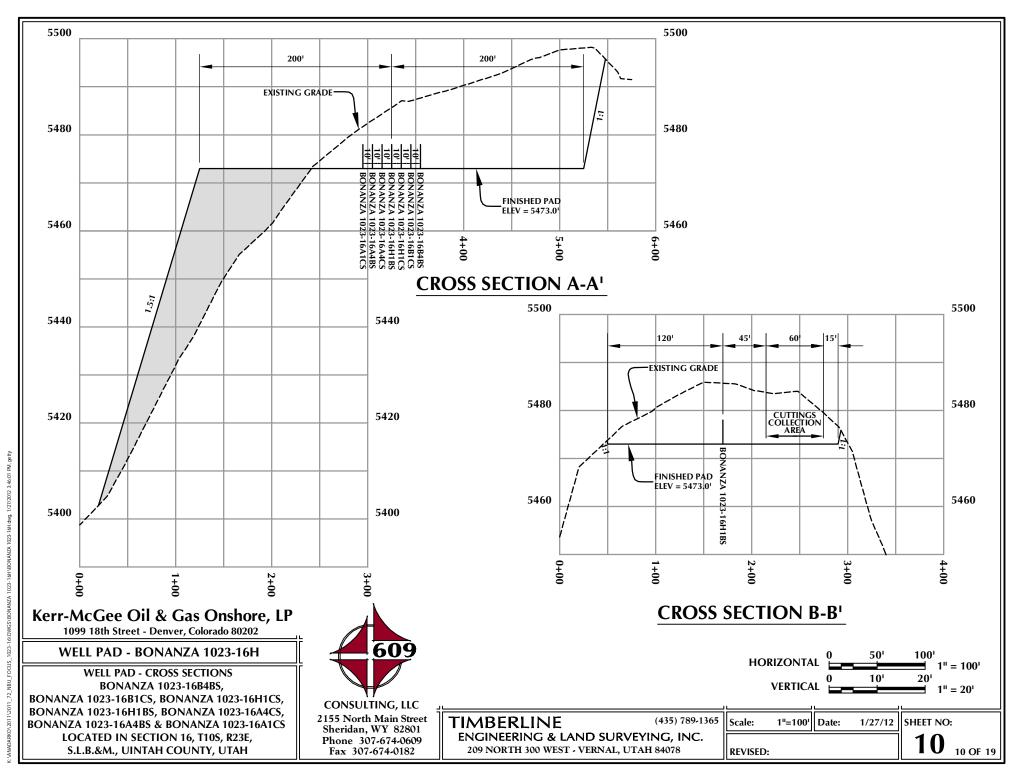
Phone 307-674-0609 Fax 307-674-0182

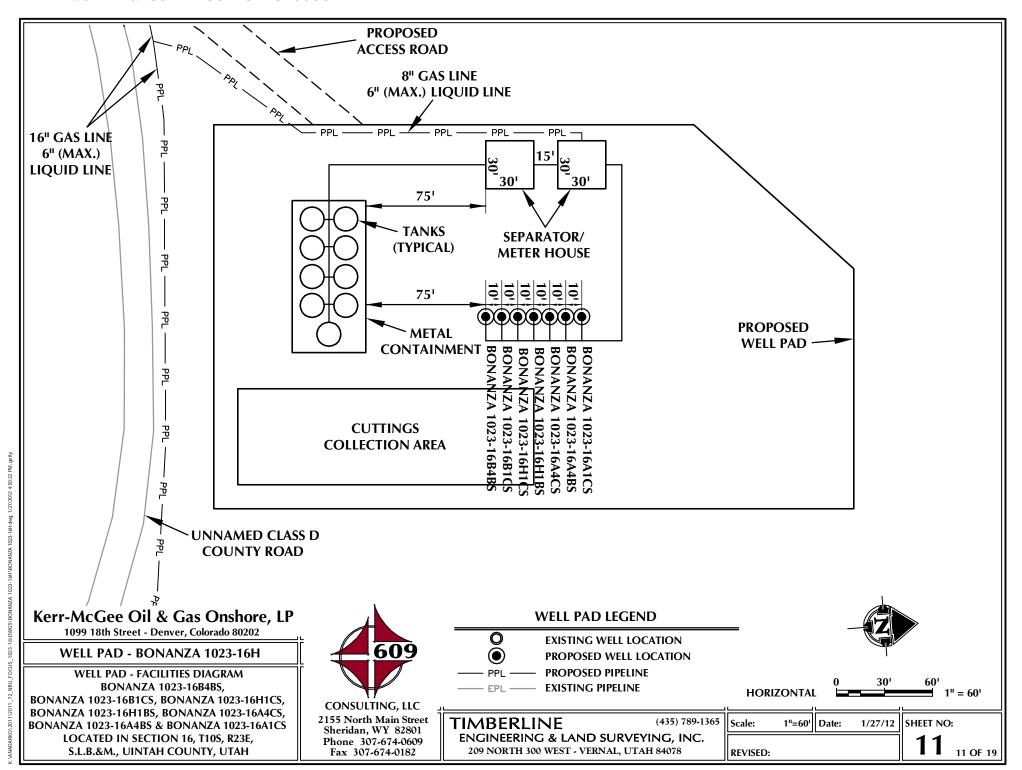
209 NORTH 300 WEST - VERNAL, UTAH 84078

S.L.B.&M., UINTAH COUNTY, UTAH

9 OF 19

REVISED:





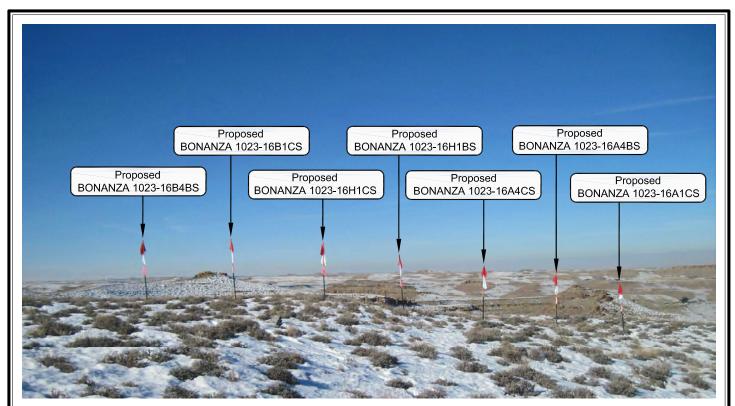


PHOTO VIEW: FROM LOCATION STAKE TO CORNER 1





PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

(435) 789-1365

12 OF 19

Kerr-McGee Oil & Gas Onshore, LP

1099 18th Street - Denver, Colorado 80202

WELL PAD - BONANZA 1023-16H

LOCATION PHOTOS BONANZA 1023-16B4BS, BONANZA 1023-16B1CS, BONANZA 1023-16H1CS, BONANZA 1023-16H1BS, BONANZA 1023-16A4CS, BONANZA 1023-16A4BS & BONANZA 1023-16A1CS LOCATED IN SECTION 16, T10S, R23E, S.L.B.&M., UINTAH COUNTY, ÚTAH.

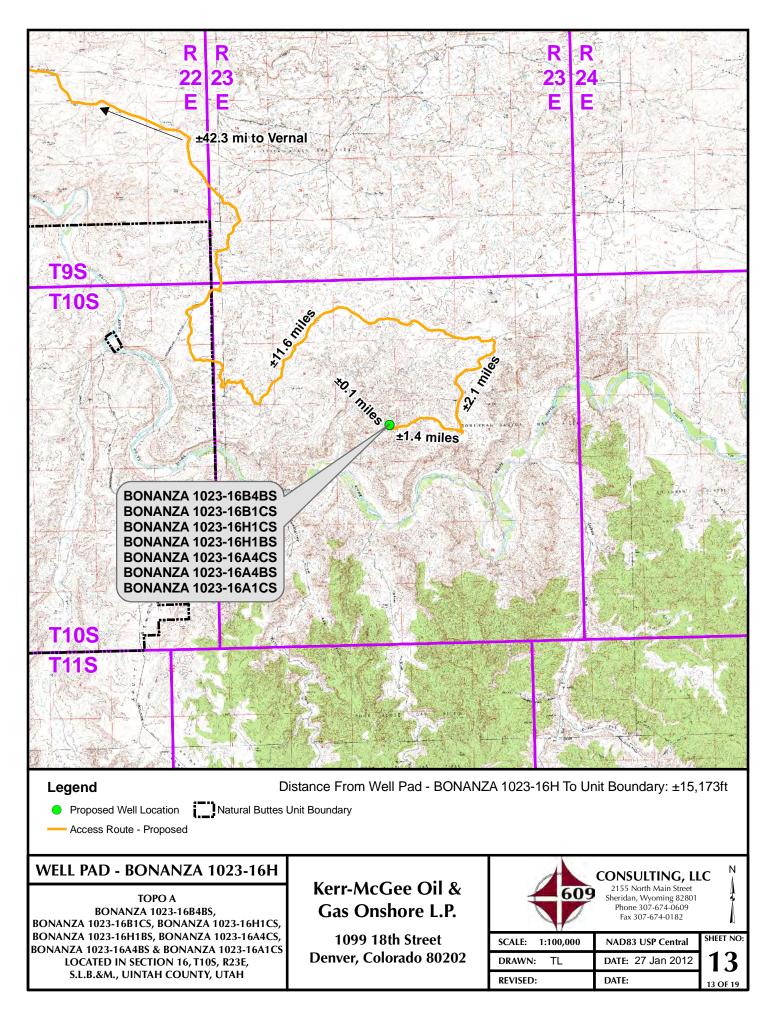


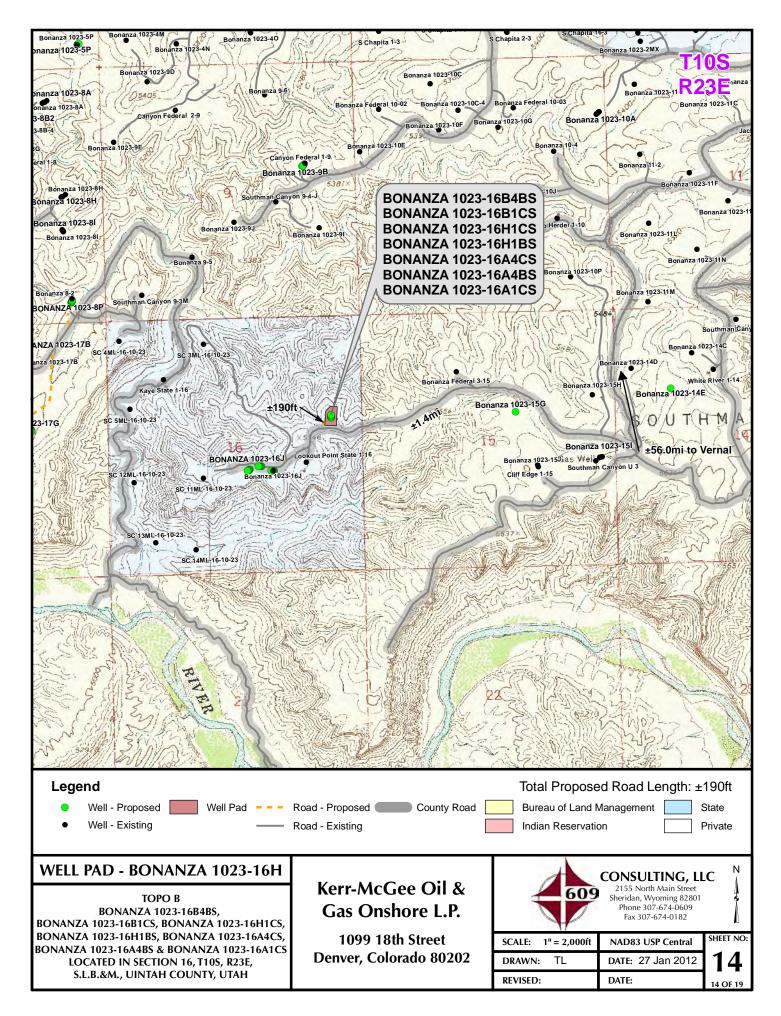
CONSULTING, LLC Sheridan WY 82801

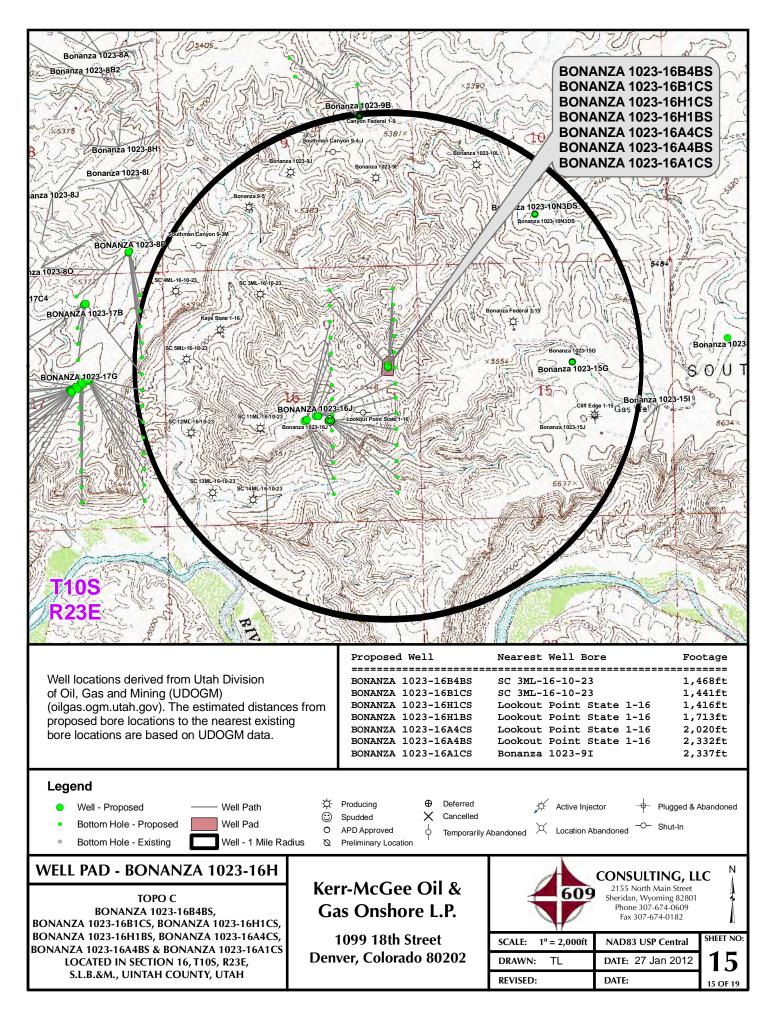
2155 North Main Street Phone 307-674-0609 Fax 307-674-0182

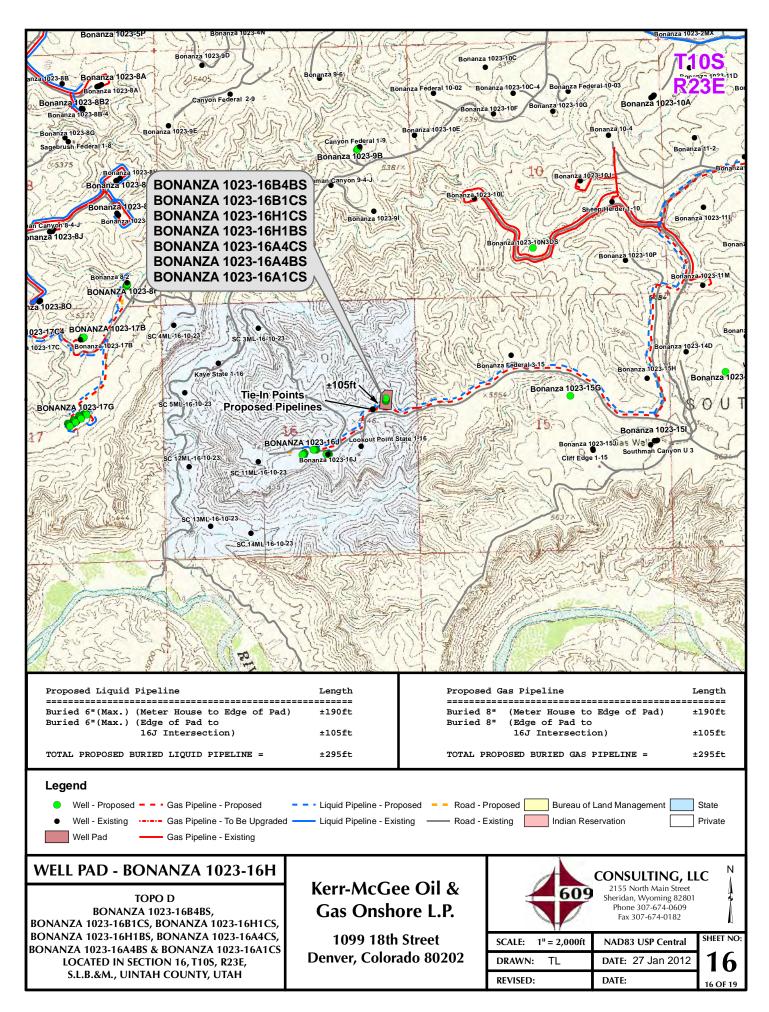
LIMBEKLIN	V E	133) (69-1
engineering	& LAND SURVEYING	G, INC.
209 NORTH 300	WEST - VERNAL, UTAH 84	078
DATE PHOTOS TAKEN:	PHOTOS TAKEN BY: W.W.	SHEET N

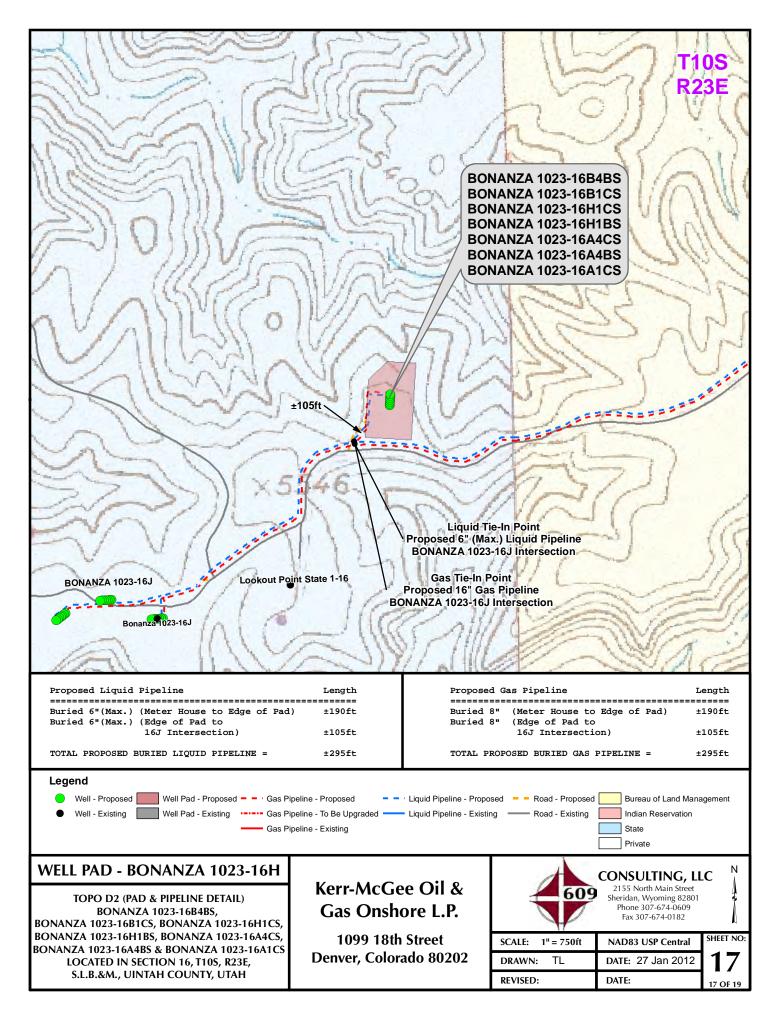
SHEET NO: HOTOS TAKEN BY: W.W. 01-05-12 DATE DRAWN: DRAWN BY: J.G.C. 01-09-12 Date Last Revised:

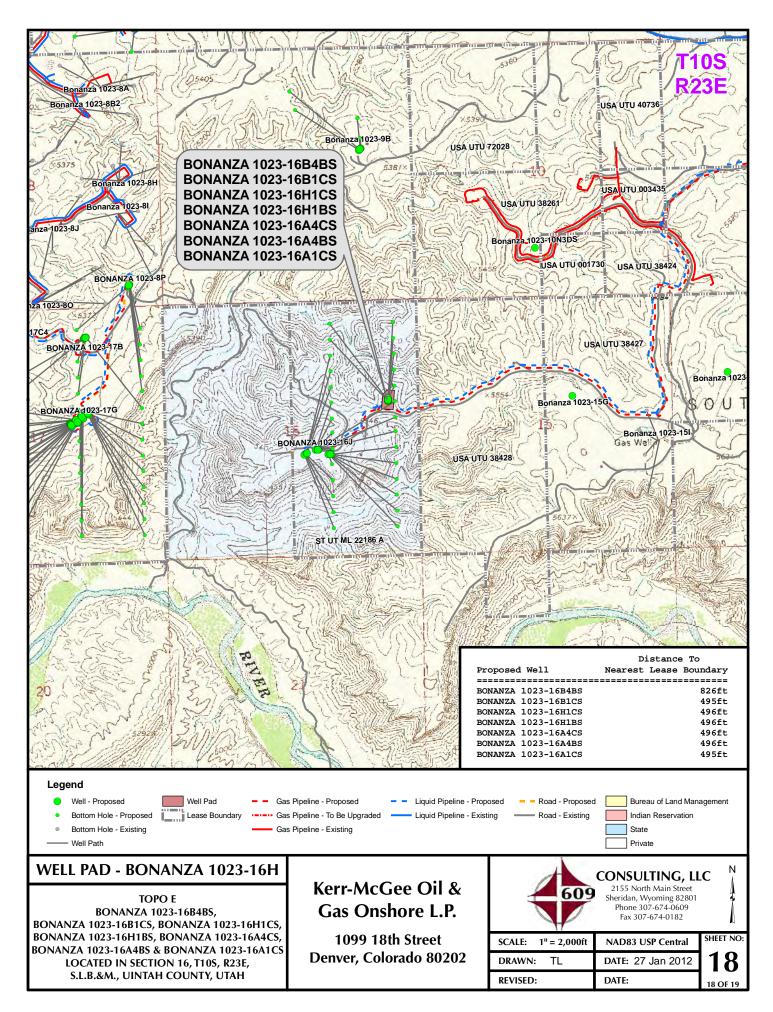












Kerr-McGee Oil & Gas Onshore, LP WELL PAD – BONANZA 1023-16H WELLS – BONANZA 1023-16B4BS, BONANZA 1023-16B1CS, BONANZA 1023-16H1CS, BONANZA 1023-16H1BS, BONANZA 1023-16A4CS, BONANZA 1023-16A4BS & BONANZA 1023-16A1CS Section 16, T10S, R23E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 14.4 miles to the intersection of the Fidlar Road (County B Road 3410) which road intersection is approximately 400 feet northeast of the Mountain Fuel Bridge at the White River. Exit left and proceed in a southeasterly direction along the Fidlar Road approximately 4.4 miles to the intersection of the Seven Sisters Road (County B Road 3420). Exit right and proceed in a southeasterly, then southerly, then southeasterly, then northeasterly, then southeasterly direction along the Seven Sisters Road approximately 11.6 miles to a Class D County Road to the southwest. Exit right and proceed in a southwesterly, then southerly direction along the Class D County Road approximately 2.1 miles to a second Class D County Road to the northwest. Exit right and proceed in a northwesterly, then southwesterly direction along the second Class D County Road approximately 1.4 miles to the proposed access road to the northeast. Follow road flags in a northeasterly direction approximately 190 feet to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 57.4 miles in a southerly direction.

SHEET 19 OF 19

API Well Number: 43047 5 20 Jeoffe OUTAB - UTM (feet), NAD27, Zone 12N

Scientific Drilling

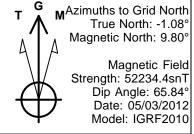
Site: BONANZA 1023-16H PAD Well: BONANZA 1023-16B4BS

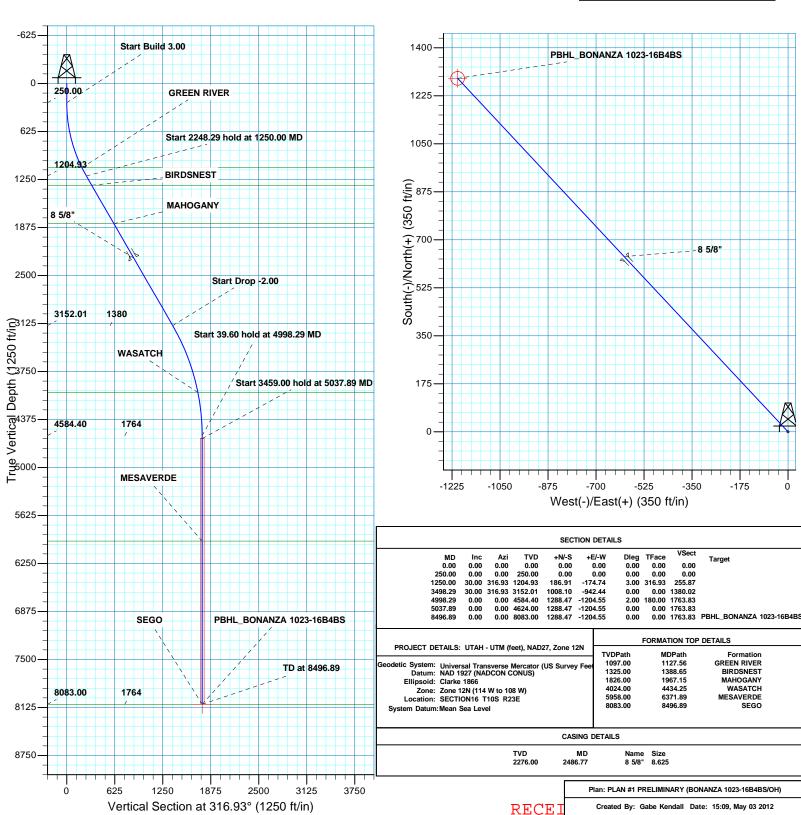
Wellbore: OH

Design: PLAN #1 PRELIMINARY











US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N BONANZA 1023-16H PAD BONANZA 1023-16B4BS

OH

Plan: PLAN #1 PRELIMINARY

Standard Planning Report

03 May, 2012





SDIPlanning Report



Database: EDM 5000.1 Single User Db Company: US ROCKIES REGION PLAI

US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

Project:UTAH - UTM (feet), NAD27,Site:BONANZA 1023-16H PAD

Well: BONANZA 1023-16B4BS

Wellbore: OH

Geo Datum: Map Zone:

Site

Design: PLAN #1 PRELIMINARY

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well BONANZA 1023-16B4BS

GL 5473 & KB 4 @ 5477.00ft (ASSUMED) GL 5473 & KB 4 @ 5477.00ft (ASSUMED)

Grid

Minimum Curvature

Project UTAH - UTM (feet), NAD27, Zone 12N

Map System: Universal Transverse Mercator (US Survey Feet)

NAD 1927 (NADCON CONUS) Zone 12N (114 W to 108 W) System Datum: Mean Sea Level

BONANZA 1023-16H PAD, SECTION 16 T10S R23E

Northing: 14,512,416.96 usft Site Position: Latitude: 39.950460 From: Lat/Long Easting: 2,110,118.10 usft Longitude: -109.324097 **Position Uncertainty:** 0.00 ft Slot Radius: **Grid Convergence:** 1.08 13.200 in

Osition dicertainty.

Well BONANZA 1023-16B4BS, 826 FNL 1818 FEL

 Well Position
 +N/-S
 0.00 ft
 Northing:
 14,512,416.96 usft
 Latitude:
 39.950460

 +E/-W
 0.00 ft
 Easting:
 2,110,118.10 usft
 Longitude:
 -109.324097

Position Uncertainty 0.00 ft Wellhead Elevation: Ground Level: 5,473.00 ft

Wellbore ОН Magnetics **Model Name** Sample Date Declination Dip Angle Field Strength (nT) (°) (°) IGRF2010 05/03/12 10.88 65.84 52.234

PLAN #1 PRELIMINARY Design **Audit Notes:** Version: Phase: PLAN Tie On Depth: 0.00 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 0.00 0.00 0.00 316.93

lan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
250.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,250.00	30.00	316.93	1,204.93	186.91	-174.74	3.00	3.00	0.00	316.93	
3,498.29	30.00	316.93	3,152.01	1,008.10	-942.44	0.00	0.00	0.00	0.00	
4,998.29	0.00	0.00	4,584.40	1,288.47	-1,204.55	2.00	-2.00	0.00	180.00	
5,037.89	0.00	0.00	4,624.00	1,288.47	-1,204.55	0.00	0.00	0.00	0.00	
8,496.89	0.00	0.00	8,083.00	1,288.47	-1,204.55	0.00	0.00	0.00	0.00 PE	HL_BONANZA 1



SDIPlanning Report



Database: Company: Project: Site:

Well:

EDM 5000.1 Single User Db US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

BONANZA 1023-16H PAD BONANZA 1023-16B4BS

Wellbore: OH

Design: PLAN #1 PRELIMINARY

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well BONANZA 1023-16B4BS

GL 5473 & KB 4 @ 5477.00ft (ASSUMED) GL 5473 & KB 4 @ 5477.00ft (ASSUMED)

Grid

Minimum Curvature

Design:	PLA	N #1 PRE	LIMINARY							
Planned Survey	,									
Measur Depti (ft)	h Incl	ination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10 20 25	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 100.00 200.00 250.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
	3uild 3.00 0.00	1.50	316.93	299.99	0.48	-0.45	0.65	3.00	3.00	0.00
50 60 70	0.00 0.00 0.00 0.00 0.00	4.50 7.50 10.50 13.50 16.50	316.93 316.93 316.93 316.93 316.93	399.85 499.29 598.04 695.85 792.43	4.30 11.94 23.36 38.55 57.45	-4.02 -11.16 -21.84 -36.04 -53.71	5.89 16.34 31.98 52.77 78.65	3.00 3.00 3.00 3.00 3.00	3.00 3.00 3.00 3.00 3.00	0.00 0.00 0.00 0.00 0.00
1,00 1,10 1,12	0.00 0.00 0.00 7.56 N RIVER	19.50 22.50 25.50 26.33	316.93 316.93 316.93 316.93	887.52 980.87 1,072.22 1,097.00	80.02 106.20 135.91 144.70	-74.81 -99.28 -127.06 -135.28	109.55 145.38 186.05 198.09	3.00 3.00 3.00 3.00	3.00 3.00 3.00 3.00	0.00 0.00 0.00 0.00
	0.00	28.50	316.93	1,161.31	169.07	-158.06	231.44	3.00	3.00	0.00
,	0.00 2 248.29 hold	30.00	316.93	1,204.93	186.91	-174.74	255.87	3.00	3.00	0.00
1,30 1,38	0.00 8.65	30.00 30.00	316.93 316.93	1,248.23 1,325.00	205.18 237.55	-191.81 -222.08	280.87 325.20	0.00 0.00	0.00 0.00	0.00 0.00
· · · · · · · · · · · · · · · · · · ·	0.00 0.00	30.00 30.00	316.93 316.93	1,334.83 1,421.44	241.70 278.23	-225.96 -260.10	330.87 380.87	0.00 0.00	0.00 0.00	0.00 0.00
1,70 1,80 1,90	0.00 0.00 0.00 0.00 7.15	30.00 30.00 30.00 30.00 30.00	316.93 316.93 316.93 316.93 316.93	1,508.04 1,594.64 1,681.24 1,767.85 1,826.00	314.75 351.27 387.80 424.32 448.85	-294.25 -328.40 -362.54 -396.69 -419.62	430.87 480.87 530.87 580.87 614.45	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
МАНО	GANY									
2,10 2,20 2,30	0.00 0.00 0.00 0.00 0.00	30.00 30.00 30.00 30.00 30.00	316.93 316.93 316.93 316.93 316.93	1,854.45 1,941.05 2,027.65 2,114.26 2,200.86	460.85 497.37 533.90 570.42 606.95	-430.83 -464.98 -499.13 -533.27 -567.42	630.87 680.87 730.87 780.87 830.87	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
2,48 8 5/8"	6.77	30.00	316.93	2,276.00	638.64	-597.05	874.26	0.00	0.00	0.00
2,50 2,60 2,70	0.00 0.00 0.00 0.00	30.00 30.00 30.00 30.00	316.93 316.93 316.93 316.93	2,287.46 2,374.06 2,460.67 2,547.27	643.47 680.00 716.52 753.05	-601.56 -635.71 -669.86 -704.00	880.87 930.87 980.87 1,030.87	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
3,00 3,10 3,20	0.00 0.00 0.00 0.00 0.00	30.00 30.00 30.00 30.00 30.00	316.93 316.93 316.93 316.93 316.93	2,633.87 2,720.47 2,807.08 2,893.68 2,980.28	789.57 826.10 862.62 899.15 935.67	-738.15 -772.29 -806.44 -840.59 -874.73	1,080.87 1,130.87 1,180.87 1,230.87 1,280.87	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
· · · · · · · · · · · · · · · · · · ·	0.00 8.29	30.00 30.00	316.93 316.93	3,066.88 3,152.01	972.20 1,008.10	-908.88 -942.44	1,330.87 1,380.02	0.00 0.00	0.00 0.00	0.00 0.00
Start D	Orop -2.00									
3,60	0.00 0.00 0.00	29.97 27.97 25.97	316.93 316.93 316.93	3,153.49 3,240.97 3,330.10	1,008.72 1,044.10 1,077.22	-943.02 -976.09 -1,007.06	1,380.87 1,429.30 1,474.64	2.00 2.00 2.00	-2.00 -2.00 -2.00	0.00 0.00 0.00
3,80	0.00	23.97	316.93	3,420.75	1,108.05	-1,035.88	1,516.85	2.00	-2.00	0.00



SDIPlanning Report



Database: Company: Project: EDM 5000.1 Single User Db US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 BONANZA 1023-16H PAD

 Well:
 BONANZA 1023-16B4BS

Wellbore: OH

Design: PLAN #1 PRELIMINARY

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well BONANZA 1023-16B4BS

GL 5473 & KB 4 @ 5477.00ft (ASSUMED) GL 5473 & KB 4 @ 5477.00ft (ASSUMED)

Grid

Minimum Curvature

Design:	PLAN #1 PRELIMINARY											
Planned Survey												
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)			
3,900.00	21.97	316.93	3,512.82	1,136.55	-1,062.53	1,555.86	2.00	-2.00	0.00			
4,000.00	19.97	316.93	3,606.19	1,162.69	-1,086.96	1,591.64	2.00	-2.00	0.00			
4,100.00	17.97	316.93	3,700.76	1,186.43	-1,109.16	1,624.14	2.00	-2.00	0.00			
4,200.00	15.97	316.93	3,796.40	1,207.74	-1,129.08	1,653.32	2.00	-2.00	0.00			
4,300.00	13.97	316.93	3,893.00	1,226.61	-1,146.72	1,679.14	2.00	-2.00	0.00			
4,400.00	11.97	316.93	3,990.45	1,243.00	-1,162.04	1,701.58	2.00	-2.00	0.00			
4,434.25	11.28	316.93	4,024.00	1,248.04	-1,166.75	1,708.48	2.00	-2.00	0.00			
WASATCH 4,500.00 4,600.00	9.97 7.97	316.93 316.93	4,088.62 4,187.39	1,256.89 1,268.27	-1,175.03 -1,185.67	1,720.60 1,736.19	2.00 2.00	-2.00 -2.00	0.00 0.00			
4,700.00	5.97	316.93	4,286.65	1,277.13	-1,193.95	1,748.31	2.00	-2.00	0.00			
4,800.00	3.97	316.93	4,386.27	1,283.46	-1,199.87	1,756.97	2.00	-2.00	0.00			
4,900.00	1.97	316.93	4,486.13	1,287.24	-1,203.40	1,762.14	2.00	-2.00	0.00			
4,998.29	0.00	0.00	4,584.40	1,288.47	-1,204.55	1,763.83	2.00	-2.00	0.00			
Start 39.60 ho 5,000.00	old at 4998.29 M 0.00	0.00	4,586.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,037.89	0.00 hold at 5037.89	0.00	4,624.00	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,100.00	0.00	0.00	4,686.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,200.00	0.00	0.00	4,786.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,300.00	0.00	0.00	4,886.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,400.00	0.00	0.00	4,986.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,500.00	0.00	0.00	5,086.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,600.00	0.00	0.00	5,186.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,700.00	0.00	0.00	5,286.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,800.00	0.00	0.00	5,386.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
5,900.00	0.00	0.00	5,486.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,000.00	0.00	0.00	5,586.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,100.00	0.00	0.00	5,686.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,200.00	0.00	0.00	5,786.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,300.00	0.00	0.00	5,886.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,371.89	0.00	0.00	5,958.00	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
MESAVERDE												
6,400.00	0.00	0.00	5,986.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,500.00	0.00	0.00	6,086.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,600.00	0.00	0.00	6,186.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,700.00	0.00	0.00	6,286.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,800.00	0.00	0.00	6,386.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
6,900.00	0.00	0.00	6,486.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,000.00	0.00	0.00	6,586.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,100.00	0.00	0.00	6,686.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,200.00	0.00	0.00	6,786.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,300.00	0.00	0.00	6,886.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,400.00	0.00	0.00	6,986.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,500.00	0.00	0.00	7,086.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,600.00	0.00	0.00	7,186.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,700.00	0.00	0.00	7,286.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,800.00	0.00	0.00	7,386.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
7,900.00	0.00	0.00	7,486.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
8,000.00	0.00	0.00	7,586.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
8,100.00	0.00	0.00	7,686.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
8,200.00	0.00	0.00	7,786.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			
8,300.00	0.00	0.00	7,766.11	1,288.47	-1,204.55	1,763.83	0.00	0.00	0.00			



SDI Planning Report



Database: Company: Project:

EDM 5000.1 Single User Db US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

BONANZA 1023-16H PAD Site: Well: **BONANZA 1023-16B4BS**

Wellbore: ОН

Design: PLAN #1 PRELIMINARY Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well BONANZA 1023-16B4BS

GL 5473 & KB 4 @ 5477.00ft (ASSUMED) GL 5473 & KB 4 @ 5477.00ft (ASSUMED)

Grid

Minimum Curvature

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,400.00 8,496.89 TD at 8496.8	0.00 0.00 9 - PBHL_BONA	0.00 0.00 NZA 1023-16B4	7,986.11 8,083.00 BS	1,288.47 1,288.47	-1,204.55 -1,204.55	1,763.83 1,763.83	0.00 0.00	0.00 0.00	0.00 0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL_BONANZA 1023- - plan hits target cent - Circle (radius 25.00		0.00	8,083.00	1,288.47	-1,204.55	14,513,705.42	2,108,913.55	39.954059	-109.328307

Casing Points					
	Measured	Vertical		Casing	Hole
	Depth	Depth		Diameter	Diameter
	(ft)	(ft)	Name	(in)	(in)
	2,486.77	2,276.00 8 5/8"		8.625	11.000

Formations							
	Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
	1,127.56	1,097.00	GREEN RIVER				
	1,388.65	1,325.00	BIRDSNEST				
	1,967.15	1,826.00	MAHOGANY				
	4,434.25	4,024.00	WASATCH				
	6,371.89	5,958.00	MESAVERDE				
	8,496.89	8,083.00	SEGO				

Plan Annotations				
Measured	Vertical	Local Coor	dinates	
Depth	Depth	+N/-S	+E/-W	
(ft)	(ft)	(ft)	(ft)	Comment
250.00	250.00	0.00	0.00	Start Build 3.00
1,250.00	1,204.93	186.91	-174.74	Start 2248.29 hold at 1250.00 MD
3,498.29	3,152.01	1,008.10	-942.44	Start Drop -2.00
4,998.29	4,584.40	1,288.47	-1,204.55	Start 39.60 hold at 4998.29 MD
5,037.89	4,624.00	1,288.47	-1,204.55	Start 3459.00 hold at 5037.89 MD
8,496.89	8,083.00	1,288.47	-1,204.55	TD at 8496.89

Surface Use Plan of Operations 1 of 8

Bonanza 1023-16H Pad

	BONANZA 1023-16A1CS	_	
Surface:	2078 FNL / 638 FEL	SENE	Lot
BHL:	495 FNL / 496 FEL	NENE	Lot
	BONANZA 1023-16A4BS		
Surface:	2088 FNL / 638 FEL	SENE	Lot
BHL:	826 FNL / 496 FEL	NENE	Lot
	BONANZA 1023-16A4CS		
Surface:	2098 FNL / 639 FEL	SENE	Lot
BHL:	1156 FNL / 496 FEL	NENE	Lot
	BONANZA 1023-16B1CS		
Surface:	2127 FNL / 642 FEL	SENE	Lot
BHL:	495 FNL / 1818 FEL	NWNE	Lot
	BONANZA 1023-16B4BS	_	
Surface:	2137 FNL / 643 FEL	SENE	Lot
BHL:	826 FNL / 1818 FEL	NWNE	Lot
	BONANZA 1023-16H1BS	_	
Surface:	2108 FNL / 640 FEL	SENE	Lot
BHL:	1486 FNL / 496 FEL	SENE	Lot
ı	BONANZA 1023-16H1CS	<u>-</u>	
Surface:	2117 FNL / 641 FEL	SENE	Lot
BHL:	1817 FNL / 496 FEL	SENE	Lot

Pad: BONANZA 1023-16H PAD

Section 16 T10S R23E Mineral Lease: ML-22186 A

Uintah County, Utah

Operator: Kerr-McGee Oil & Gas Onshore LP

This SUPO contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG), a wholly owned subsidiary of Anadarko Petroleum Corporation (APC) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to APC/KMG (including but not limited to, APDs/SULAs/ROEs/ROWs and/or easements.)

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

A. Existing Roads:

Existing roads consist of county and improved/unimproved lease roads. KMG will maintain existing roads in a condition that is the same as or better than before operations began and in a safe and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, blading, ditching, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as working space. All disturbances located in the same corridor will overlap each other to the maximum extent possible; in no case will the maximum disturbance width of the access road and utility corridors exceed 50', unless otherwise approved.

B. Planned Access Roads:

Approximately ± 190 ' (0.04 miles) of new access road is proposed (see Topo Map B). Applicable Uintah County encroachment and/or pipeline crossing permits will be obtained prior to construction/development. No other pipelines will be crossed at this location.

If there are roads that are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers.

During the onsite, turnouts, major cut and fills, culverts, bridges, gates, cattle guards, low water crossings, or modifications needed to existing infrastructure/facilities were determined, as applicable, are typically shown on attached Exhibits and Topo maps.

C. <u>Location of Existing and Proposed Facilities</u>:

Production facilities (see Well Pad Design Summary and Facilities Diagram):

Production facilities will be installed on the disturbed portion of the well pad and may include bermed components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed of compacted subsoil or corrugated metal, impervious, designed to hold 110% of the capacity of the largest tank, and be independent of the back cut. All permanent (on-site six months or longer) above ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with SITLA.

Gathering Facilities:

The following pipeline transmission facilities will apply if the well is productive (see Topo D):

The total gas gathering (steel line pipe with fusion bond epoxy coating) pipeline distances from the meter to the tie in point is ± 295 ° and the individual segments are broken up as follows:

3 of 8

- $\pm 190'$ (0.04 miles) –New 8" buried gas pipeline from the meter to the edge of the pad. Please refer to Topo D2 Pad and Pipeline Detail.
- $\pm 105'$ (0.02 miles) –New 8" buried gas pipeline from the edge of the pad to the Bonanza 1023-16J intersection. Please refer to Topo D2 Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is ± 295 ' and the individual segments are broken up as follows:

- ±190' (0.04 miles) –New 6" buried liquid pipeline from the separator to the edge of the pad. Please refer to Topo D2 Pad and Pipeline Detail.
- ±105' (0.02 miles) –New 6" buried liquid pipeline from the edge of pad to the Bonanza 1023-16J intersection. Please refer to Topo D2 Pad and Pipeline Detail.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

The proposed pipelines will be buried and will include gas gathering and liquid gathering pipelines in the same trench. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests a permanent 30' right-of-way adjacent to the road for life-of-project for maintenance, repairs, and/or upgrades, no additional right-of-way will be needed beyond the 30'. Where the pipeline is not adjacent to the road or well pad, KMG requests a temporary 45' construction right-of-way 30' permanent right-of-way.

The proposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. During construction blasting may occur along the proposed right-of-way where trenching equipment cannot cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed pipelines will be pressure tested pneumatically (depending on size) or with fluids (either fresh or produced). If fluids are used, there will be no discharge to the surface.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity and ownership, as well as to provide emergency contact phone numbers. Above ground valves, T's, and/or cathodic protection will be installed at various locations for connection, corrosion prevention and/or for safety purposes.

D. Location and Type of Water Supply:

Water for drilling purposes will be obtained from one of the following sources:

- Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, application number 53617.
- Price Water Pumping Inc. Green River and White River, various sources, Water Right Number 49-1659, application number: a35745.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If needed, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods for Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well. Currently, those facilities are:

RNI in Sec. 5 T9S R22E Ace Oilfield in Sec. 2 T6S R20E MC&MC in Sec. 12 T6S R19E Pipeline Facility in Sec. 36 T9S R20E

Ouray #1 SWD in Sec. 1 T9S R21E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

NBU 159 SWD in Sec. 35 T9S R21E CIGE 112D SWD in Sec. 19 T9S R21E CIGE 114 SWD in Sec. 34 T9S R21E NBU 921-34K SWD in Sec. 34 T9S R21E NBU 921-33F SWD in Sec. 33 T9S R21E NBU 921-34L SWD in Sec. 34 T9S R21E

Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

Unless otherwise approved, no oil or other oil based drill additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water, biodegradable polymer soap, bentonite clay, and /or non-toxic additives will be used in the system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions, or well testing, product will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be release into the pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternative is approved by SITLA. Should timely removal prove infeasible, the pit will be netted with mesh no larger than 1 inch until such time as the hydrocarbons can be removed. Hydrocarbon removal will also take place prior to the closure of the pit, unless authorization is provided for disposal via alternative pit closure methods. (e.g. solidification)

Surface Use Plan of Operations

Bonanza 1023-16H Pad

5 of 8

Any additional pits necessary for subsequent operations, such as temporary flare pits, or workover pits, will contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of the work.

For the protection of livestock and wildlife, all open pits and cellars will be fenced/covered to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after after six (6) months from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Additional drying methods may include fly-ash solidification or sprinkler evaporation. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, including accidental release of fluids, or release in excess of reportable quantities, will be managed according to the notification requirements of UDOGMs "Reporting Oil and Gas Undesirable Events" rule. Where State wells are participatory to a Federal agreement, according to NTL-3A, the appropriate Federal agencies will be notified.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities.

G. Ancillary Facilities:

None are anticipated.

H. Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; reserve/completion/flare pit; access road ingress/ egress points, drilling rig, dikes/ditches, existing wells/infrastructure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment and facility layout; however, the area of disturbance, as described in the survey, will not be exceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1927 (NAD27) or latest edition. Distances are depicted on each plat to the nearest two adjacent section lines.

I. Plans for Reclamation of the Surface:

Surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by KMG. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access road. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep perpendicular to the natural flow of water.

All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interim and Final Reclamation

Reclaimed areas may be fenced to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

J. Surface/Mineral Ownership:

SITLA 675 East 500 South, Suite 500 Salt Lake City, UT 84102

L. Other Information:

None

Bonanza 1023-16H Pad

M. Lessee's or Operators' Representative & Certification:

Danielle Piernot Regulatory Analyst II Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6156 Tommy Thompson General Manager, Drilling Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage for State lease activities is provided by State Surety Bond 22013542, and for applicable Federal lease activities and pursuant to 43 CFR 3104, by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Danielle Piernot

May 30, 2012

Date

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

June 11, 2012

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2012 Plan of Development Ponderosa Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2012 within the Ponderosa Unit, Uintah County, Utah.

API # WELL NAME LOCATION

(Proposed PZ WASATCH-MESA VERDE)

WELL PAD - 1023-16J

43-047-52774 Bonanza 1023-16G1CS Sec 16 T10S R23E 2069 FSL 2356 FEL BHL Sec 16 T10S R23E 1818 FNL 1818 FEL 43-047-52777 Bonanza 1023-16G1BS Sec 16 T10S R23E 2063 FSL 2364 FEL BHL Sec 16 T10S R23E 1487 FNL 1818 FEL 43-047-52782 Bonanza 1023-16H4CS Sec 16 T10S R23E 2132 FSL 2134 FEL BHL Sec 16 T10S R23E 2477 FNL 0496 FEL 43-047-52783 Bonanza 1023-1601BS Sec 16 T10S R23E 2045 FSL 2388 FEL BHL Sec 16 T10S R23E 1157 FSL 1820 FEL 43-047-52784 Bonanza 1023-16G4BS Sec 16 T10S R23E 2131 FSL 2174 FEL BHL Sec 16 T10S R23E 2148 FNL 1819 FEL Sec 16 T10S R23E 2131 FSL 2164 FEL 43-047-52845 Bonanza 1023-16G4CS BHL Sec 16 T10S R23E 2479 FNL 1819 FEL Sec 16 T10S R23E 2029 FSL 1869 FEL 43-047-52846 Bonanza 1023-16I4CS BHL Sec 16 T10S R23E 1487 FSL 0496 FEL 43-047-52847 Bonanza 1023-16P1BS Sec 16 T10S R23E 2029 FSL 1879 FEL BHL Sec 16 T10S R23E 1157 FSL 0496 FEL 43-047-52848 Bonanza 1023-1604BS Sec 16 T10S R23E 2033 FSL 2404 FEL

RECEIVED: June 12, 2012

BHL Sec 16 T10S R23E 0496 FSL 1820 FEL

Page 2

API #	WELL	NAME			L	OCATI	ON				
(Proposed PZ 43-047-52849							R23E R23E				
43-047-52850	Bonanza	1023-16P1CS					R23E R23E				
43-047-52851	Bonanza	1023-16J1BS					R23E R23E				
43-047-52852	Bonanza	1023-16J4CS					R23E R23E				
43-047-52853	Bonanza	1023-16I1BS					R23E R23E				
43-047-52854	Bonanza	1023-16H4BS					R23E R23E				
43-047-52855	Bonanza	1023-16I4BS					R23E R23E				
43-047-52856	Bonanza	1023-16J1CS					R23E R23E				
43-047-52857	Bonanza	1023-1601CS					R23E R23E				
43-047-52858							R23E R23E				
WELL PAD - 1 (43-047-52776		1023-16A4BS					R23E R23E				
43-047-52778	Bonanza	1023-16A4CS					R23E R23E				
43-047-52779	Bonanza	1023-16B1CS					R23E R23E				
43-047-52780	Bonanza						R23E R23E				
43-047-52781	Bonanza	1023-16B4BS					R23E R23E				
43-047-52859	Bonanza						R23E R23E				
This office	e has n	o objectio	n to	o pe	erm	itti	ng th	ne we	ells	at	this

time.

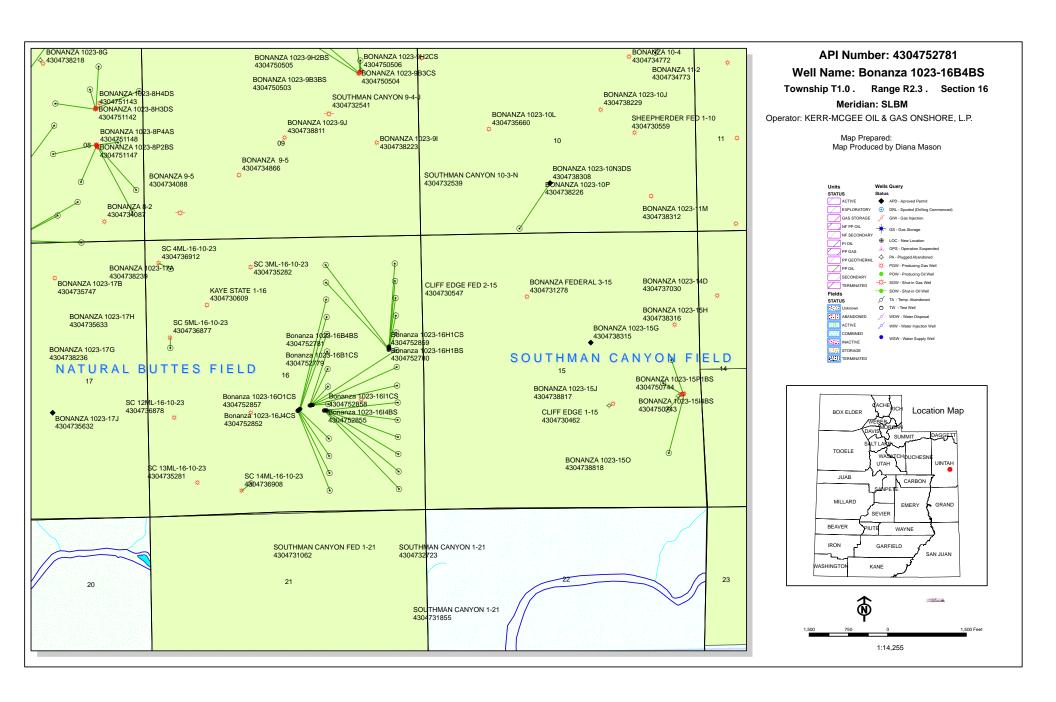
bcc: File - Ponderosa Unit

Division of Oil Gas and Mining

Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:6-11-12

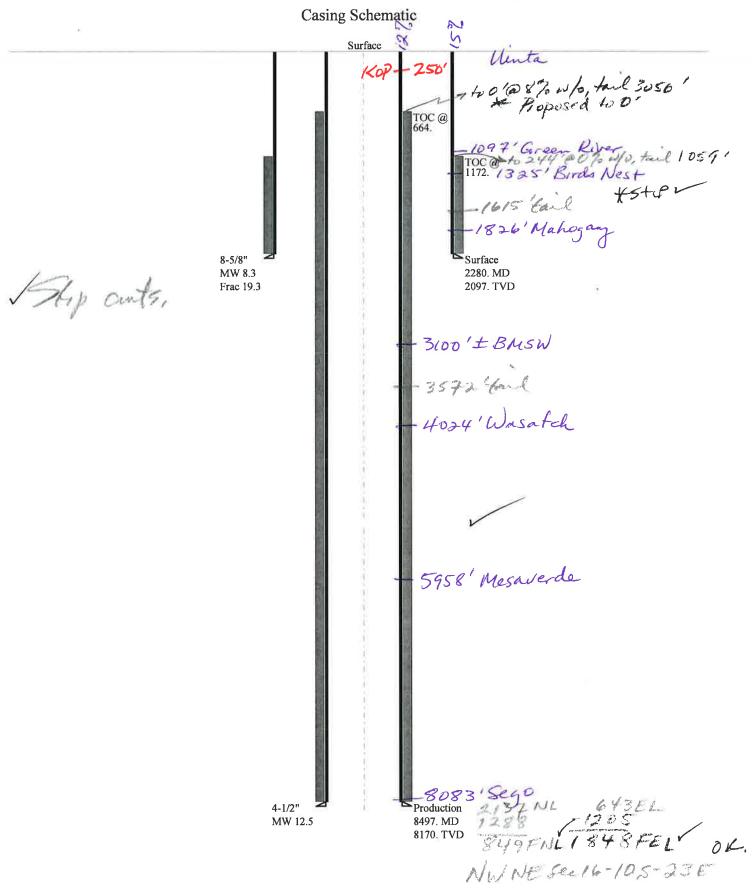
RECEIVED: June 12, 2012



BOPE REVIEW KERR-MCGEE OIL & GAS ONSHORE, L.P. Bonanza 1023-16B4BS 43047527810000

Well Name	KERR-MCGEE OIL & GAS ONSHORE, L.P. Bonanza		1023-1	6B4BS 43	9				
String		Surf	Prod					ī	
Casing Size(")		8.625	4.500					ī	
Setting Depth (TVD)		2097	8170					ī	
Previous Shoe Setting Dept	h (TVD)	0	2097						
Max Mud Weight (ppg)		8.3	12.5						
BOPE Proposed (psi)		500	5000						
Casing Internal Yield (psi)		3390	7780			T		1	
Operators Max Anticipated	Pressure (psi)	5173	12.2						
Calculations		Court Court					8.625	"	
Max BHP (psi)		Surf Stri	52*Setting D)enth	*MW-		0.025		
Max DIII (psi)			52 Setting E	reptii	111 111 -	908		BOPE Adeas	nate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Setti	ing D	epth)=	656			air/mist system
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ing D	.4.5	447			OK
					1 /	447		·—— ·	xpected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(S	etting Depth -	- Previous Sh	oe D	epth)=	447			OK
Required Casing/BOPE Tes	st Pressure=					2097		psi	
*Max Pressure Allowed @ 1	Previous Casing	Shoe=				0		psi *Assu	mes 1psi/ft frac gradient
	_					1.0			-
Calculations		Prod Stri					4.500	"	
Max BHP (psi)		.0	52*Setting D	epth	*MW=	5311			
MASD (C) ()		M DII	D (0.12*C-44	D	41- \				nate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)			P-(0.12*Setti		- 15	4331		YES	
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ing D	epth)=	3514		·—— ·	OK STATE OF THE ST
Pressure At Previous Shoe	May BHD 22*(S	atting Danth	Dravious Sh	oa D	enth)-				xpected Pressure Be Held At Previous Shoe?
Required Casing/BOPE Tes		ctting Depth	- Trevious Si	10C D	cptii)=	3975		psi	OK
*Max Pressure Allowed @ 1		Shoe-				5000			mes 1psi/ft frac gradient
Max Tressure Allowed @ 1	Trevious Casing	31106=				2097		psi Assu	mes 1981/1t trae gradient
Calculations		String						"	
Max BHP (psi)		.0	52*Setting D	epth	*MW=				
								BOPE Adequ	nate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)			P-(0.12*Setti		-			NO	
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ing D	epth)=			NO	
Pressure At Previous Shoe	May DIID 22*/C	attina Danth	Duarriona Ch	D	omth)				xpected Pressure Be Held At Previous Shoe?
	<u> </u>	etting Deptin	- Previous Si	106 D	еріп)=		_	NO:	
Required Casing/BOPE Tes		a 1					_	psi	1 1/0 0
*Max Pressure Allowed @ 1	Previous Casing	Snoe=						psi *Assu	mes 1psi/ft frac gradient
Calculations		String						"	
Max BHP (psi)		.0	52*Setting D	epth	*MW=				
								BOPE Adequ	nate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Setti	ing D	epth)=			NO	
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ng D	epth)=			NO	
								*Can Full E	xpected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe		etting Depth -	- Previous Sh	oe D	epth)=			NO	
Required Casing/BOPE Tes								psi	
*Max Pressure Allowed @ 1	Previous Casing	Shoe=					——il	psi *Assu	mes 1psi/ft frac gradient

43047527810000 Bonanza 1023-16B4BS



Well name:

43047527810000 Bonanza 1023-16B4BS

Operator:

KERR-MCGEE OIL & GAS ONSHORE, L.P.

String type:

Surface

Project ID:

43-047-52781

Location:

UINTAH COUNTY

_	n parameter:	5 :		Minimum Collapse:	design fac	ctors:	Environme H2S conside		No
	<u>se</u> I weight: rnal fluid densi	ty:	8.300 ppg 1.000 ppg	Design fact	tor	1.125	Surface tem Bottom hole Temperature	perature: temperature	74 °F
Burst				Burst: Design fact	tor	1.00	Cement top:		1,172 ft
	: anticipated su ressure:		1,845 psi						
	rnal gradient:		0.120 psi/ft	Tension:			Directional	Info - Build a	& Drop
	culated BHP		2,097 psi	8 Round S	TC:	1.80 (J)	Kick-off po		250 ft
				8 Round LT	rc:	1.70 (J)	Departure	at shoe:	771 ft
No b	backup mud sp	ecified.		Buttress:		1.60 (J)	Maximum (0 0	3 °/100ft
				Premium:		1.50 (J)	Inclination	at shoe:	30 °
				Body yield:		1.50 (B)		uent strings:	
							Next settin		8,170 ft
					based on air	•	Next mud		12.500 ppg
				Neutral poi	nt:	1,984 ft	Next settin		5,305 psi
							Fracture m		19.250 ppg 2,097 ft
							Fracture de	•	
							Injection p	ressure.	2,097 psi
Run	Segment		Nominal		End	True Vert	Measured	Drift	Est.
Seq	Length	Size	Weight	Grade	Finish	Depth	Depth	Diameter	Cost
	(ft)	(in)	(lbs/ft)			(ft)	(ft)	(in)	(\$)
1	2280	8.625	28.00	1-55	LT&C	2097	2280	7.892	90288

Burst

Strength

(psi)

3390

Burst

Design

Factor

1.62

Tension

Load

(kips)

58.7

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Mining

Collapse

Strength

(psi)

1880

Collapse

Design

Factor

2.364

Burst

Load

(psi)

2097

Phone: 801 538-5357

FAX: 801-359-3940

Date: August 20,2012 Salt Lake City, Utah

Tension

Strength

(kips)

348

Tension

Design

Factor

5.93 J

Run

Seq

1

Collapse

Load

(psi)

795

Collapse is based on a vertical depth of 2097 ft, a mud weight of 8.3 ppg. An internal gradient of .052 psi/ft was used for collapse from TD to Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

43047527810000 Bonanza 1023-16B4BS Well name:

KERR-MCGEE OIL & GAS ONSHORE, L.P. Operator:

Production String type:

Project ID: 43-047-52781

COUNTY UINTAH Location:

Environment: Minimum design factors: Design parameters: Collapse

Mud weight:

12.500 ppg Design is based on evacuated pipe.

Collapse: Design factor 1.125

H2S considered?

No 74 °F Surface temperature: Bottom hole temperature: 188 °F 1.40 °F/100ft Temperature gradient:

Minimum section length: 1,000 ft

Directional Info - Build & Drop

Burst:

1.00 Design factor

Cement top:

Kick-off point

Departure at shoe:

Maximum dogleg:

Inclination at shoe:

664 ft

250 ft

1530 ft

0°

3 °/100ft

Burst

Max anticipated surface

3,508 psi pressure: Internal gradient: 0.220 psi/ft

Calculated BHP 5,305 psi

No backup mud specified.

Tension: 8 Round STC: 1.80 (J) 8 Round LTC: 1.80 (J) 1.60 (J) Buttress: Premium:

1.50 (J) Body yield: 1.60 (B)

Tension is based on air weight. Neutral point: 6.970 ft

Estimated cost:

178,160 (\$)

Run	Segment		Nominal		End	True Vert	Measured	Drift	Est.
Seq	Length	Size	Weight	Grade	Finish	Depth	Depth	Diameter	Cost
	(ft)	(in)	(lbs/ft)			(ft)	(ft)	(in)	(\$)
2	5000	4.5	11.60	1-80	DQX	4673	5000	3.875	132000
1	3497	4.5	11.60	1-80	LT&C	8170	8497	3.875	46160
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design
-	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(kips)	(kips)	Factor
2	3035	5993	1.975	4536	7780	1.72	94.8	267	2.82 J
1	5305	6360	1.199	5305	7780	1.47	40.6	212	5.23 J

Helen Sadik-Macdonald Prepared Div of Oil, Gas & Mining

Phone: 801 538-5357 FAX: 801-359-3940

Date: August 20,2012 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8170 ft, a mud weight of 12.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

From: Jeff Conley

To: Hill, Brad; Mason, Diana

CC: Bonner, Ed; Davis, Jim; Garrison, LaVonne; danielle.piernot@anadarko.com

Date: 9/18/2012 3:31 PM **Subject:** APD Approvals

Hi all,

The following wells have been approved by SITLA including arch and paleo:

Bonanza 1023-16A1CS (4304752773) Bonanza 1023-16B4BS (4304752781) Bonanza 1023-16H1BS (4304752780) Bonanza 1023-16B1CS (4304752779) Bonanza 1023-16A4CS (4304752778) Bonanza 1023-16H1CS (4304752859) Bonanza 1023-16A4BS (4304752776) Bonanza 1023-16B4CS (4304752772) Bonanza 1023-16G1CS (4304752774) Bonanza 1023-16G4CS (4304752845) Bonanza 1023-16I4CS (4304752846) Bonanza 1023-16P1BS (4304752847) Bonanza 1023-16O4BS (4304752848) Bonanza 1023-16P4BS (4304752849) Bonanza 1023-16P1CS (4304752850) Bonanza 1023-16J1BS (4304752851) Bonanza 1023-16J4CS (4304752852) Bonanza 1023-16I1BS (4304752853) Bonanza 1023-16H4BS (4304752854) Bonanza 1023-16I4BS (4304752855) Bonanza 1023-16J1CS (4304752856) Bonanza 1023-16O1CS (4304752857) Bonanza 1023-16H4CS (4304752782) Bonanza 1023-16I1CS (4304752858) Bonanza 1023-16G4BS (4304752784) Bonanza 1023-16O1BS (4304752783) Bonanza 1023-16G1BS (4304752777)

Thank you,

Jeff Conley SITLA Resource Specialist (801)-538-5157 jconley@utah.gov

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.

Well Name Bonanza 1023-16B4BS

API Number 43047527810000 APD No 6105 Field/Unit NATURAL BUTTES

Location: 1/4,1/4 SENE Sec 16 Tw 10.0S Rng 23.0E 2137 FNL 643 FEL

GPS Coord (UTM) 643102 4423611 Surface Owner

Participants

Charles Chase (Kerr McGee), David Hackford (DOGM).

Regional/Local Setting & Topography

The general area is within the north edge of the White River Drainage southwest of Bonanza, Utah. This drainage is a major drainage beginning in Colorado to the east and joining the Green River approximately 18 miles to the northwest. The drainage consists of many significant side drainages. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. The topography is characterized by rolling hills, frequently divided by gentle to deep draws, which flow into the White River. The draws are often rimmed with steep side hills with exposed sand stone bedrock cliffs. Ouray, Utah is approximately 18 miles to the northwest with Vernal, Utah approximately 57 miles to the north. The White River is one mile to the southwest.

The area is accessed by Utah State, Uintah County and existing oilfield development Roads to within 190 feet of the site.

Seven gas wells are proposed to be directionally drilled from this pad. The pad will be oriented in a south to north direction. It is on a gentle to moderately steep north slope which extends away from a high ridge to the south. The selected site appears to be the best location in the immediate area for constructing a pad and drilling and operating the proposed wells, but because of the steep, cliff-like slopes to the north, south and west a reserve pit will not be used for drilling these wells.

Surface Use Plan

Current Surface Use

Grazing Wildlfe Habitat

New Road
Miles

Well Pad

Src Const Material

Surface Formation

0.04 Width 240 Length 400 Onsite UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Vegetation includes black sagebrush, bud sage, horsebrush, halogeton, curly mesquite, shadscale, cheatgrass, broom snakeweed, rabbit brush, juniper and spring annuals.

Antelope, coyote, small mammals and birds. Endangered fish species exist in the White River. Domestic sheep graze the area in the winter.

Soil Type and Characteristics

Rocky sandy clay loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potental Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors	Site Ranking				
Distance to Groundwater (feet)	100 to 200	5			
Distance to Surface Water (feet)	>1000	0			
Dist. Nearest Municipal Well (ft)	>5280	0			
Distance to Other Wells (feet)		20			
Native Soil Type	High permeability	20			
Fluid Type	Fresh Water	5			
Drill Cuttings	Normal Rock	0			
Annual Precipitation (inches)		0			
Affected Populations					
Presence Nearby Utility Conduits	Not Present	0			
	Final Score	50	1 Sensitivity Level		

Characteristics / Requirements

A reserve pit will not be used for drilling this well.

Closed Loop Mud Required? Y Liner Required? Liner Thickness Pit Underlayment Required?

Other Observations / Comments

David Hackford 6/21/2012

Evaluator

Date / Time

Application for Permit to Drill Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner CBM	I
6105	43047527810000	SITLA	GW	S No	
Operator	KERR-MCGEE OIL & GAS ONS	HORE, L.P.	Surface Owner-API)	
Well Name	Bonanza 1023-16B4BS		Unit	PONDEROSA	
Field	NATURAL BUTTES		Type of Work	DRILL	
Location	SENE 16 10S 23E S 2	2137 FNL	643 FEL GPS Coord		
Location	(UTM) 643099E 4423586N	1			

Geologic Statement of Basis

Kerr McGee proposes to set 2,280' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,100'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 16. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought up above the base of the moderately saline ground water in order to isolate it from fresher waters up hole. The proposed casing and cement should adequately protect any usable ground water in the area.

Brad Hill 6/28/2012 **APD Evaluator Date / Time**

Surface Statement of Basis

This well, along with six others will be directionally drilled from the same drilling pad. Because of the steep cliff-like slopes falling off to the north, south and west a closed loop mud system will be required for drilling these wells. Drilled cuttings will be dried and stored in a cuttings collection area measuring 185 feet by 60 feet located on the southeast corner of the pad. If these cuttings are free of hydrocarbons they will be mixed into the location soil and left in place. If hydrocarbons are present, it will be necessary to dispose of them in an approved disposal facility. It will be necessary to construct a 190 foot long access road, but most of this will follow an existing unnamed class D county road.

Jim Davis of SITLA and Ben Williams of DWR were invited to this presite investigation, but both had visited this site with Kerr MCGee personell at an earlier date and neither were present.

The White river is approx. one mile to the southwest. This location appears to be the best site for a drilling pad in the immediate area.

David Hackford 6/21/2012
Onsite Evaluator Date / Time

Conditions of Approval / Application for Permit to Drill

Category Condition

Pits A closed loop mud circulation system is required for this location.

Surface The well site shall be bermed to prevent fluids from leaving the pad.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 6/1/2012 API NO. ASSIGNED: 43047527810000

WELL NAME: Bonanza 1023-16B4BS

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: SENE 16 100S 230E **Permit Tech Review:**

> SURFACE: 2137 FNL 0643 FEL **Engineering Review:**

> **BOTTOM: 0826 FNL 1818 FEL Geology Review:**

COUNTY: UINTAH

LATITUDE: 39.95032 LONGITUDE: -109.32483 **UTM SURF EASTINGS: 643099.00** NORTHINGS: 4423586.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 3 - State

LEASE NUMBER: ML 22186 A PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 3 - State **COALBED METHANE: NO**

RECEIVED AND/OR REVIEWED: LOCATION AND SITING:

✓ PLAT R649-2-3.

Unit: PONDEROSA Bond: STATE/FEE - 22013542

Potash R649-3-2. General

Oil Shale 190-5

Oil Shale 190-3 R649-3-3. Exception

Oil Shale 190-13 **Drilling Unit**

Board Cause No: Cause 179-17 Water Permit: 43-8496

Effective Date: 5/9/2012 **RDCC Review:**

Siting: Suspends General Siting Fee Surface Agreement

✓ Intent to Commingle R649-3-11. Directional Drill

Commingling Approved

Comments: Presite Completed

Stipulations:

3 - Commingling - ddoucet5 - Statement of Basis - bhill15 - Directional - dmason

25 - Surface Casing - hmacdonald



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Bonanza 1023-16B4BS

API Well Number: 43047527810000

Lease Number: ML 22186 A Surface Owner: STATE

Approval Date: 9/19/2012

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-17. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Commingle:

In accordance with Board Cause No. 179-17, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan contact Dustin Doucet
- Significant plug back of the well contact Dustin Doucet
- Plug and abandonment of the well contact Dustin Doucet

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well contact Carol Daniels OR
- submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
 - at http://oilgas.ogm.utah.gov
 - 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
 - 24 hours prior to cementing or testing casing contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program
 - contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well contact Dan Jarvis

Contact Information:

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 office
- Dustin Doucet 801-538-5281 office

801-733-0983 - after office hours

• Dan Jarvis 801-538-5338 - office

801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
 - Requests to Change Plans (Form 9) due prior to implementation
 - Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
 - Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Approveu by:

For John Rogers Associate Director, Oil & Gas Sundry Number: 42147 API Well Number: 43047527810000

	STATE OF UTAH		FORM 9		
	5.LEASE DESIGNATION AND SERIAL NUMBER: ML 22186 A				
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
	oposals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: PONDEROSA		
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: Bonanza 1023-16B4BS				
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047527810000		
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18tl	h Street, Suite 600, Denver, CO, 80217	PHONE NUMBER: 3779 720 929-0	9. FIELD and POOL or WILDCAT: 5NATERAL BUTTES		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2137 FNL 0643 FEL			COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 6 Township: 10.0S Range: 23.0E Meridia	n: S	STATE: UTAH		
11. CHEC	K APPROPRIATE BOXES TO INDICATE	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
Kerr-McGee Oil & G an extension to this	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION COMPLETED OPERATIONS. Clearly show all as Onshore, L.P. (Kerr-McGel APD for the maximum time as with any questions and/or co	e) respectfully requests llowed. Please contact	CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Depths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining Date: September 12, 2013 By:		
NAME (PLEASE PRINT)	PHONE NUMBE	R TITLE			
Teena Paulo SIGNATURE	720 929-6236	Staff Regulatory Specialist DATE			
SIGNATURE N/A		9/4/2013			

Sundry Number: 42147 API Well Number: 43047527810000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047527810000

API: 43047527810000 Well Name: Bonanza 1023-16B4BS

Location: 2137 FNL 0643 FEL QTR SENE SEC 16 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 9/19/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
• Has there been any unit or other agreements put in place that could affect the permitting or operation of thi proposed well? Yes No
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? (Yes (No
• Has the approved source of water for drilling changed? Yes No
• Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No
nature: Teena Paulo Date: 9/4/2013

Sig

Title: Staff Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Sundry Number: 54427 API Well Number: 43047527810000

	STATE OF UTAH		FORM 9
	5.LEASE DESIGNATION AND SERIAL NUMBER: ML 22186 A		
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	oposals to drill new wells, significantly or reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: PONDEROSA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: Bonanza 1023-16B4BS		
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047527810000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18t	h Street, Suite 600, Denver, CO, 80217	PHONE NUMBER: 73779 720 929-	9. FIELD and POOL or WILDCAT: 6 INATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2137 FNL 0643 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: l6 Township: 10.0S Range: 23.0E Meridi	an: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
9/19/2014	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:
12 DESCRIBE BRODOSED OR	COMPLETED OPERATIONS. Clearly show a	all portinant details including dates	Nonthe volumes etc
Kerr-McGee Oil & G an extension to this	Gas Onshore, L.P. (Kerr-McGe APD for the maximum time a with any questions and/or co	ee) respectfully requests allowed. Please contact	Approved by the
			Date:
			By: Bacyll
NAME (PLEASE PRINT) Teena Paulo	PHONE NUMB 720 929-6236	ER TITLE Staff Regulatory Specialist	
SIGNATURE N/A		DATE 8/12/2014	

Sundry Number: 54427 API Well Number: 43047527810000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047527810000

API: 43047527810000 Well Name: Bonanza 1023-16B4BS

Location: 2137 FNL 0643 FEL QTR SENE SEC 16 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 9/19/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

	•
 If located on private land, has the ownership characters Yes No 	inged, if so, has the surface agreement been updated? 🔵
Have any wells been drilled in the vicinity of the requirements for this location? Yes	proposed well which would affect the spacing or siting lo
 Has there been any unit or other agreements pu proposed well? Yes No 	t in place that could affect the permitting or operation of thi
 Have there been any changes to the access rout proposed location? Yes No 	e including ownership, or rightof- way, which could affect th
• Has the approved source of water for drilling ch	anged? 🔘 Yes 🍺 No
Have there been any physical changes to the surplans from what was discussed at the onsite evaluation.	face location or access route which will require a change in luation? () Yes (i) No
• Is bonding still in place, which covers this propo	sed well? 📵 Yes 🔘 No
nature: Teena Paulo Date: 8/	12/2014

Sig

Title: Staff Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 24, 2015

Kerr-McGee Oil & Gas Onshore, LP. 1099 18th Street, Suite 600 Denver, CO 80217

Re: APDs Rescinded for Kerr-McGee O&G Onshore, L.P., Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that is being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded as of September 24, 2015.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

hand Mason

cc: Well File

Bureau of Land Management, Vernal



43-047-52757 43-047-52772 43-047-52773 43-047-52776 43-047-52778 43-047-52779 43-047-52780 43-047-52781 43-047-52782 43-047-52783 43-047-52784 43-047-52845 43-047-52846 43-047-52847 43-047-52848 43-047-52849 43-047-52849	NBU 921-23L GR BONANZA 1023-16B4CS BONANZA 1023-16A1CS BONANZA 1023-16A4BS BONANZA 1023-16G1BS BONANZA 1023-16G1BS BONANZA 1023-16B1CS BONANZA 1023-16H1BS BONANZA 1023-16H4BS BONANZA 1023-16H4CS BONANZA 1023-16G4BS BONANZA 1023-16G4BS BONANZA 1023-16G4CS BONANZA 1023-16G4CS BONANZA 1023-16G4CS BONANZA 1023-16P1BS BONANZA 1023-16P1BS BONANZA 1023-16O4BS BONANZA 1023-16P4BS BONANZA 1023-16P4BS BONANZA 1023-16P4BS
	Dollar Control
43-047-52849	
43-047-52850	BONANZA 1023-16P1CS
43-047-52851	BONANZA 1023-16J1BS
43-047-52852	BONANZA 1023-16J4CS
43-047-52853	BONANZA 1023-16I1BS
43-047-52854	BONANZA 1023-16H4BS
43-047-52855	BONANZA 1023-16I4BS
43-047-52856	BONANZA 1023-16J1CS
43-047-52857	BONANZA 1023-1601CS
43-047-52858	BONANZA 1023-16I1CS
43-047-52859	BONANZA 1023-16H1CS